

# Category 4

Presentation to Alberta Coal Policy Review Panel



**Montem Resources**

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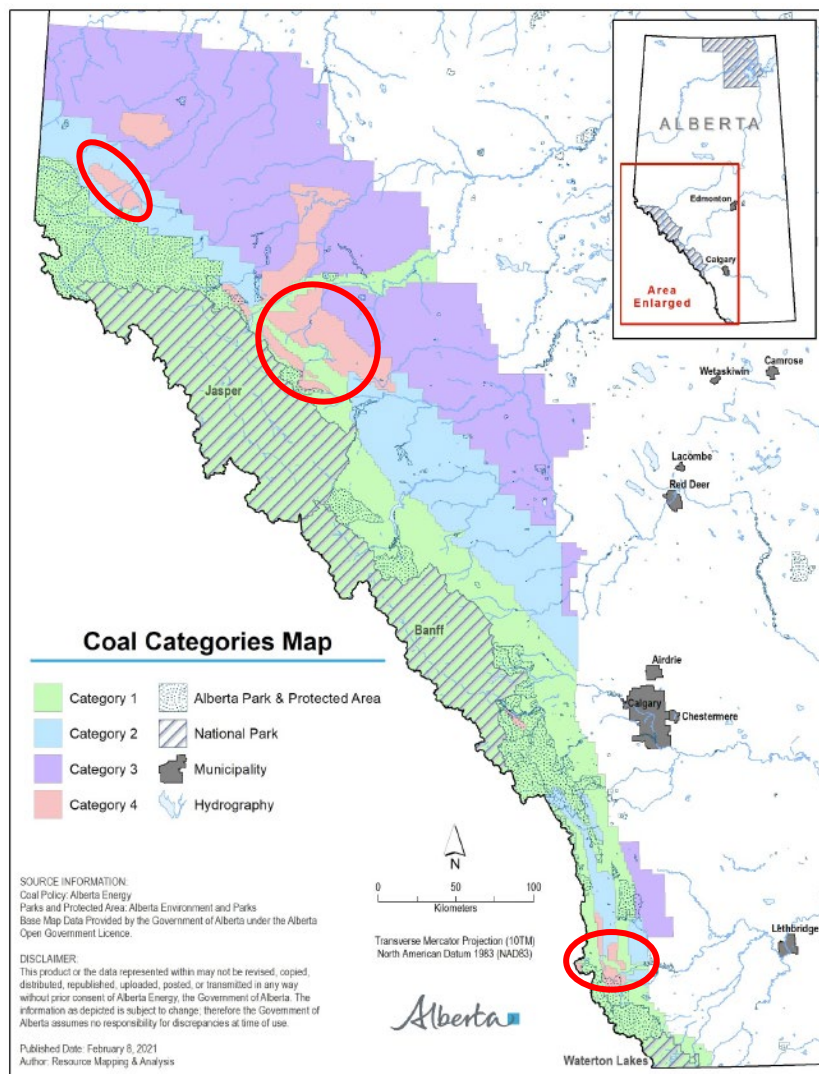
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# Agenda

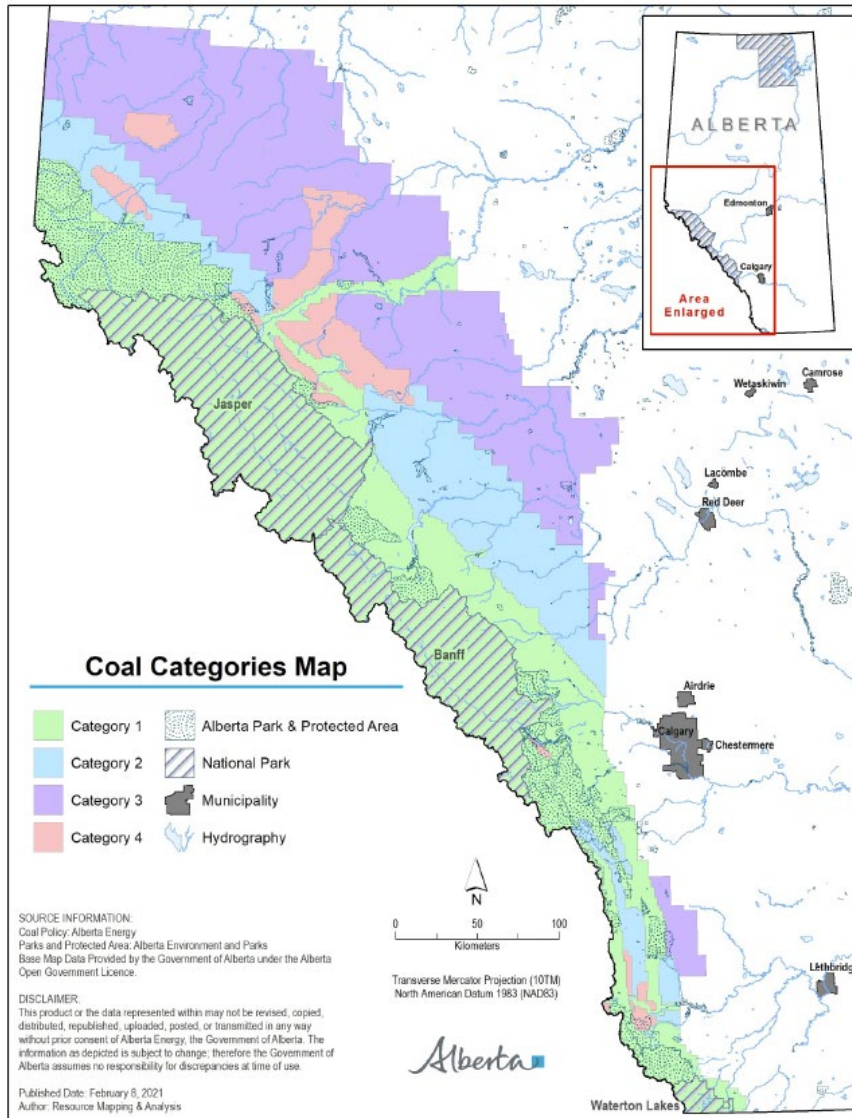
- Introductions
- Land categories overview
- Category 4 description and maps (Eastern Slopes)
- Historical mining within Category 4
- Distinct treatment of Category 4 relative to other categories:
  - » Historic
  - » Current during review process
  - » Implications for investors
- Recommendation

# Coal category lands in the Eastern Slopes of Alberta



- The adjacent map from the Government of Alberta demarcates the land classification boundaries for the coal categories within the Eastern Slopes
- Red ellipses added to identify areas of historical active mining that cover most of the Category 4 land
  - » Steelmaking coal from NW Alberta since 1969
  - » Steelmaking and energy coal from the Coal Branch in west central Alberta since 1911
  - » Steelmaking and energy coal in the Crowsnest Pass since 1901
- Since 1976, the following coal mining developments have taken place, all within Category 4 lands:
  - » Development of Coal Valley surface mine
  - » Expansion of Grande Cache surface and underground
  - » Expansion of Cardinal River surface mine
  - » Development of Gregg River surface mine
  - » Development of Obed surface mine
  - » Development of Cheviot surface mine
  - » Development Vista surface mine
- The record of regulatory approvals for Alberta coal projects in the Eastern Slopes confirms its suitability as a land use

# Eastern Slopes (cont.)

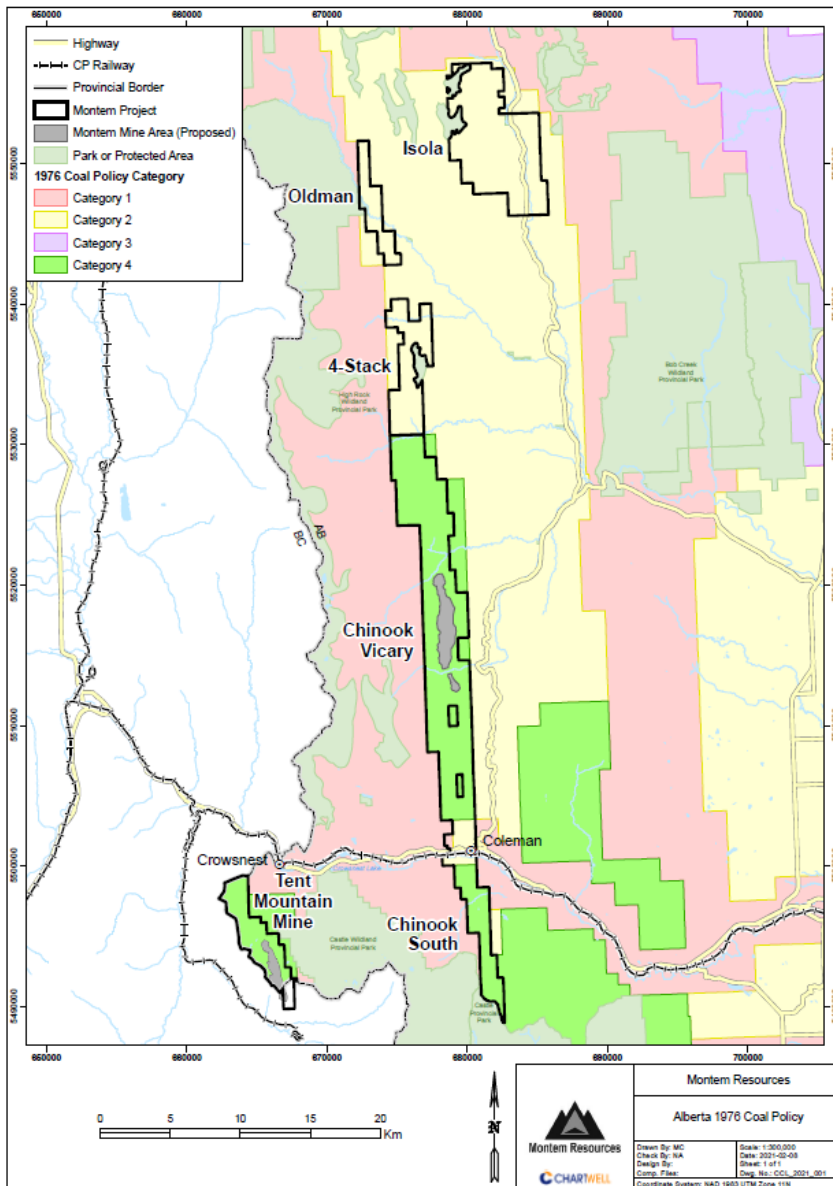


- The Eastern Slopes makes up about 14% of Alberta's total area
- Coal Policy categories within the Eastern Slopes make up the following breakdown:

» Category 1	44%
» Category 2	15%
» Category 3	35%
» Category 4	6%

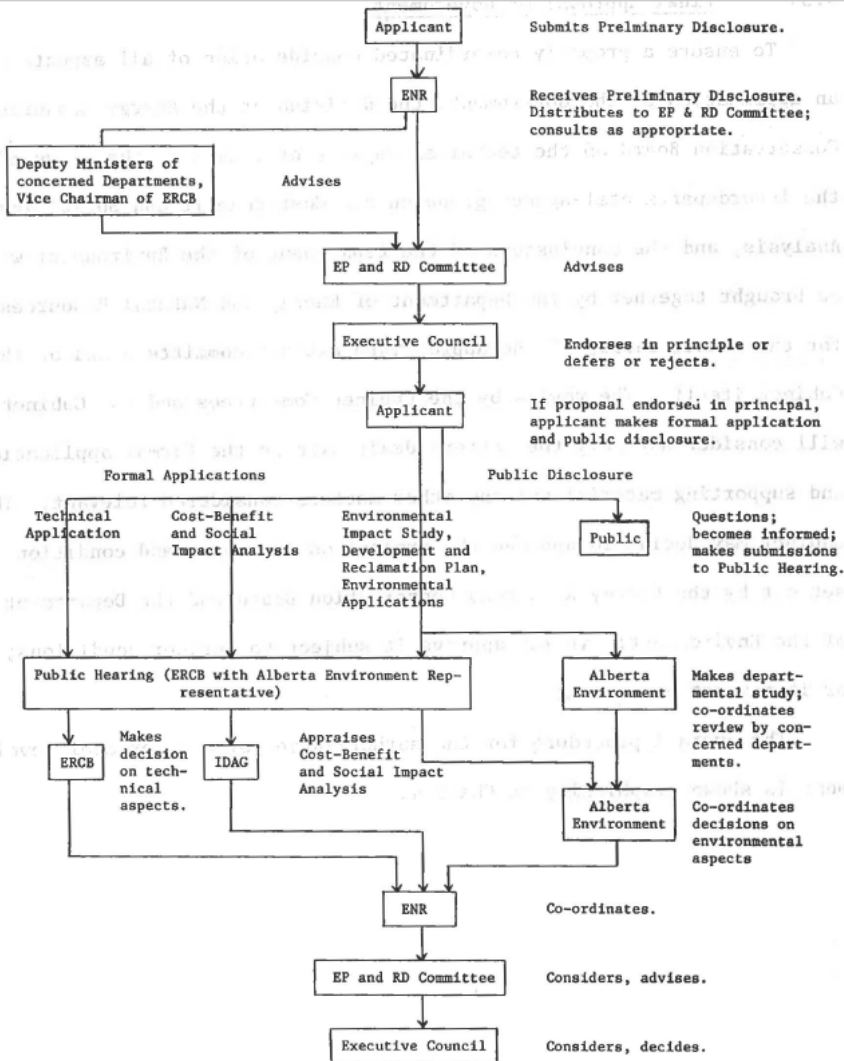
– Source: Government of Alberta mapping data

# Land Categories in the Crowsnest Pass



- The Crowsnest Pass has a history of coal mining back to 1901
- Montem's Tent Mountain and Vicary mines were in production at the time the 1976 Coal Policy was introduced (both in Category 4)
- Prior to the 1976 Coal Policy, mining took place within what became the Category 4 lands Montem now holds:
  - York Creek Mine
  - International Mine
  - McGillivray Mine
  - Vicary Mine
  - Racehorse Mine
  - Tent Mountain Mine
- Montem coal properties include both Category 4 and Category 2

# Coal Policy Process – Existing/New



## ABBREVIATIONS

EP and RD Committee  
ENR  
ERCB  
IDAG

*Economic Planning and Resource Development Committee  
Department of Energy and Natural Resources  
Energy Resources Conservation Board  
Interdepartmental-agency Group co-ordinated by the  
Department of Energy and Natural Resources*

- Chart 4 – Existing Coal Policy
  - » Outlines a predictable and defined process for major project developments
  - » Process and regulatory changes necessitate a refinement and changes to this process
- Future developments rely upon a dependable process.

# Category 4 Treatment

- From a land use perspective, the 1976 Coal Policy recognized coal mining within Category 4, including surface, underground, and insitu, may be considered “...subject to proper assurances respecting protection of the environment and reclamation of disturbed lands.”
- Since the Coal Policy adoption, all new and expansion coal mining projects were located within Category 4 lands (predominantly surface mining).
- The cessation of issuing coal exploration permits during the review process only covered Category 2 land and did not affect Category 4, reflecting their continued suitability for coal development.

# Recommendation

- International investments were made in the Alberta coal industry in Category 4 assets on the basis of their treatment within the Coal Policy.
- Any significant change to the treatment of these lands will fundamentally undermine the basis on which these investments were made in the Alberta economy.
- Montem asks that the treatment of Category 4 lands in any new, modernized Coal Policy reflect their existing treatment under the 1976 Coal Policy.

# Thank You